

11 December 1974

MEMORANDUM FOR: Friday's Executive Council Members

SUBJECT : Executive Council Meeting on 6 December 1974

Mr. Proctor chaired. Substituting were Messrs []
and []

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I. Relations with the NIO Mechanism

1. Mr. Proctor noted there was a consensus [] that our system for dealing with the NIOs must be improved. Relationships with the NIOs vary greatly because the approaches, abilities, and tasks of individual NIOs vary and because each office handles NIOs differently.

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2. Mr. Proctor has no problem with the informal contacts sponsored by NIOs. He is primarily concerned about formal papers.

3. The system creates management problems involving priorities, the use of resources, and our ability to assess performance. There are also substantive difficulties involving the quality and completeness of our support, sense of individual and organizational responsibility, consistency and quality control.

4. He outlined several options:

- Leave things as they are;
- Leave things essentially as they are, but with a Directorate clearing point;
- Set up multiple opposite-numbers;
- Re-orient the system toward a single point of control and substantive review for the Directorate;

- Bring inputs to NIO papers under the system of review now applied to office issuances.

5. The ensuing discussion explored problems of:

- Quality. The present machinery is highly erratic, sometimes turning out polished products, but often serving up papers that look like rough drafts. Copy editing can be pretty poor. Hasty drafting is sometimes quite evident, with too little attention to internal consistency or consistency with other DDI products.

Part of the problem is clearly the lack of an adequate NIO production staff, but Mr. Proctor is also concerned that analysts and supervisors are not taking the same care with inputs to NIO papers as they do with products issued by their own offices. Quality control must be improved, and the review process should be as complete and careful for NIO tasks as it is for our own production.

- Management and Control. The present system, in which some of the NIOs deal directly with divisions and even branches, does not allow adequate control over our resources. Mr. Knoche pointed out, on the other hand, that too tight a system of front office control would create bottlenecks. Mr. Proctor noted that with a dozen NIOs generating projects, office chiefs are bound to have difficulty monitoring the process. Messrs. Lehman and Knoche said they had delegated primary responsibility for dealing with the NIOs to their division chiefs. Mr. Lehman does not think the system is working as well as it should.

Mr. Proctor indicated that he feels he is not being kept adequately informed of office relationships with the NIOs. He wants especially to be advised of important substantive problems that arise -- especially those involving intra-Directorate disagreement.

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[] pointed out that in addition to management problems involved in scheduling and producing papers, some NIO activities that do not involve production should nevertheless be monitored at the DDI level. He cited the KIQ/KEP process, noting that unless there is a DDI mechanism to pull the data together, the Directorate will have no idea of -- much less any influence over -- aggregate results until the NIOs issue their reports.

-- Internal vs. Interagency Production. Mr. Walsh observed that a fundamental problem underlying our other difficulties is the NIO tendency to assume responsibility for projects that are intra-Agency matters. Mr. Proctor thinks there should be clear guidelines as to what is community business and what should be an exclusive DDI preserve. The DCI has made it clear that NIOs have no command authority and must work through the regular chains of command. There is considerable ambiguity in the Director's approach to the system, however, and difficulties arise when NIOs act as agents of the Director. Mr. Proctor said that when NIOs act for the Director, they should go through channels.

Several office chiefs argued that quality would improve if the entire production process -- particularly on intra-Agency products -- remained in the hands of the office primarily concerned.

Conclusions

1. Returning to the options available, it was agreed that:
 - We cannot leave things as they are;
 - We should not set up a staff of multiple opposite-numbers;
 - We should not rule out some single clearing point, though several office chiefs were concerned that such a system would leave them as much in the dark as before;
 - We must develop a better system of office review.

2. It was also agreed that an effort should be made to establish guidelines separating inter-agency from in-house production.

3. Mr. Proctor said that this discussion would be continued at a later meeting.

II. FY-75 Budget Shortfalls

25X1 1. [] distributed a chart (attached) that shows a shortfall of nearly one million dollars in the current budget. Three-quarters of the shortfall is in personal services -- it reflects primarily FBIS overseas salary costs and a personnel strength of 30 persons above the authorized ceiling.

2. The figures do not include the recent pay raise; it is not yet clear whether its cost will have to be absorbed.

25X1 3. [] said that the payroll will continue to be met, but there may be strong pressure to cut elsewhere. The "estimated obligations" include those projects which individual offices want to undertake; some may have to be delayed or dropped unless supplemental funding is found.

25X1 4. [] pointed out that 80-85% of the DDI budget is non-discretionary, making it extremely difficult to find places to cut.

[]

Chief
DDI Executive Staff

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Attachment

cc: DDI
ADDI
Chief, Exec. Staff
D/OBGI
D/OCI
D/OER
D/CRS
D/OSR
D/OPR
D/IAS
D/FBIS
C/DDI Management Staff
C/Ops. Center
Chairman/COMIREX
C/CGAS

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EWB notes

12:30 Frid 6 Dec

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Relations with NIO Mechanism

- Seemed to me that there was a consensus at our meeting that there was a need for changes
- Relationships with NIOs vary greatly, because:
 - .Each NIO operates somewhat differently
 - .Tasks differ greatly
 - .Community capabilities differ
 - .Each office handles them differently
 - .Skills of NIOs differ

There are no problems with informal contacts and discussions.

Problems are with formal papers:

-Management:

- .Use of resources
- .Priorities relative to other tasks
- .Knowing what our people are actually working on
- .Being able to assess quality of performance

-Substantive:

- .Are we providing the best support?
- .Are all appropriate resources being brought to bear on problem.
- .Sense of individual responsibility
- .Sense of organizational responsibility
- .Review process
- .Does product break new ground conflicting with existing judgments (not bad, but should know)

-Options:

- .Leave things the way they are
- . Same but with Directorate clearing point
- . Set up multiple opposite numbers in the directorate
- .Set up single point of control and review for Directorate
- . Insist that usual system of office review applies to NIO contributions as for Office issuances

Combinations of these.

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10 December 1974

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MEMORANDUM FOR THE DEPUTY DIRECTOR FOR INTELLIGENCE

SUBJECT: DDI NEEDS ON NIO/NSSM AFFAIRS

With regard to properly monitoring NSSM and other NIO-related activities for the DDI, I suggest that you designate a senior and experienced DDI man as your special assistant for NIO affairs, or simply as your official liaison with the Office of the Deputy Director for NIO Affairs.

Your assistant would have complete responsibility for providing you with substantive and other background on all NIO activities, including those in which DDI components might have no direct role. He would spend at least half his day moving around the building interviewing those in the DDI most directly involved in NIO-related projects. With the aid of a secretary, he would maintain a complete and up-to-date record of all such projects. With the approval of the DD/NIO, he would attend NIO weekly meetings and talk with NIOs as required.

I do not see a need for much more than this to meet the problem of keeping you informed on NIO/NSSM affairs. But much less, as at present, is apparently inadequate.

I would be interested in helping to get any such effort off the ground before my Labor Day departure for the interagency senior seminar.

Chief, North Asia Branch
Office of Current Intelligence

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MEMORANDUM FOR: File--see distribution list

I am sending you the attached summary of our Executive Council meeting of 6 December for your information and consideration. Please develop your thoughts on the NIO problem so that we can complete this discussion at a later meeting.

Because I want to maintain these discussions on as frank a basis as possible, I ask that you consider the attached summary as privileged information and you limit access to a very few people in your Office/Staff.

11 December 1974
(DATE)

/s/
Ed Proctor

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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